कि कितने वर्कर्स रिट्रेंच हुए हैं। रिट्रेंच कोई नहीं हुआ है। वी आर एस के तहत 36 हजार एन टी सी मिलों के वर्कर्स गए हैं। इन्होंने कहा है कि केबिनेट में सेंक्शन आ गई है तो अभी तक केबीनेट में नहीं आई है। जैसे ही केबीनेट में आ जायेगी, मंजूरी आ जाये तो हम यह माडर्नाइजेशन का प्रोग्राम जारी रखेंगे। इन्होंने एन टी सी. मिल वर्कर्स और हैंडलूम वर्कर्स का बताया कि वहां पर इसे अमल नहीं कर रहे हैं तो मैं जरा इन्हीं से पूछना चाहता हूं...

SHRI JAGESH DESAI: Don't ask the Member.

श्री जी. वेंकटस्वामी : मैं इनसे जानना चाहता हूं कि हैंडलूम वर्कर्स को कहां निकाला? कौन सी इंडस्ट्री से हैंडलूम वर्कर्स को निकाला मेरी इन्फरमेशन के लिए बता दें तो मैं इनको सेटिसफैक्टरी रिप्लाई दे दूंगा। हैंडलूम वर्कर्स को एक एम्पलायर के द्वारा निकाला गया है तो उनके रिहेबिलिटेशन का सवाल पैदा होता है। गवर्नमेंट आफ इंडिया, खासतौर से प्राइम मिनिस्टर इस देश के अंदर हैंडलूम वर्कर्स के लिए काफी काम कर रहे हैं यह अच्छी तरह से जानते हैं।

*224. [The questioners (Shri Nilotpal Basu and Shri Dipankar Mukherjee) were absent. For Answer vide Col. ...infra.]

Membership of Stock Exchanges for Foreign Financial Institutions

*225. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to permit the foreign financial institutions to become members/brokers of the Stock Exchanges; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) A statement is laid on the Table of the House.

Statement

(a) and (b) Government do not have any proposal to permit Foreign Financial Istitutions to become members of Stock Exchanges in India. However, foreign brokers registered with SEBI are permitted to operate in India on behalf of registered foreign institutional investors. Such foreign brokers are only permitted to transmit orders to members of Indian stock exchanges. The orders shall, however, be executed on the Indian stock exchanges and contract notes issued only by members of the stock exchanges.

MR. CHAIRMAN: You put your first supplimentary please.

SHRI S. MADHAVAN: Sir, there is a fear about foreigners involving themselves in speculative share market. The hon'ble Prime Minister announced that the Government is inviting foreign investment only in infrastructural facility sector and also foreign technology. I would like to know whether it is true that foreigners are cornering the shares of the Indian companies and whether the idustrialists of India have expressed any fear on this issue. What are the reasons for allowing foreigners in speculative share market?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Chairman, Sir, we have deliberately considered it prudent to allow foreign institutional investors to operate in the Indian stock exchange markets. And in doing so, we have taken adequate care to see that these foreign institutional investors will not be able to corner a disproportionate amount of shares of any single company. There have been limits laid down for their total holdings in a company and in individual companies. There is no danger that the presence of the foreign institutional investors will necessarily lead to any take-over of Indian companies.

SHRI S. MADHAVAN: Sir, I want to know whether the Government it aware that a leading economist of this country has warned the Government that one foreign financial institution alone has got a capacity to corner the entire shares of all the Indian companies. I want to know whether it is true. If it is true, what are the precautions the Government has taken to prevent such things happening in India?

SHRI MANMOHAN SINGH: Sir, I have already mentioned that there are defined limits up to which any foreign

institutional investor can buy the shares of a particular company. There are also limits to the extent to which all foreign institutional investors can buy the shares of a particular company. All combined share-holding of foreign institutional investors cannot exceed 24 per cent of the paid-up capital of a company.

SHRI JAGESH DESAI: Mr. Chairman, one of the reasons of inflation is that the foreign financial institutions are allowed to invest in the secondary market in the share market. Sir, that is one of the reasons. Secondly, they have vast money power. They can determine the share prices. They buy the shares: the share prices will go up. They sell the shares: the share prices will go down. Sir, I would like the hon. Minister to consider this. Sir, when they are in the secondary market, you do not get additional resources for your development. Only the shares will be transferred from one person to another. Only the Reserve Bank of India will get the foreign exchange. And in lieu of foreign exchange, they have to pump in money, and the money supply is increasing. So, I would like to know from the hon. Minister whether he will consider the suggestion that they should be allowed only in the primary sector so that all these ills can be eliminated. I want to know whether the Government will consider that they will be allowed only in the primary sector so that more funds will come into the country and more development can take place.

SHRI MANMOHAN SINGH: Sir, money is a fungible commodity, and in my humble opinion, this excessive distinction between primary markets and secondary markets can be over-done. An efficient, well-functioning secondary market provides a great degree of stimulus to the primary markets and, therefore, a healthy secondary market, in my view, is in the interest of a growing primary market. Therefore, I do not feel that what we have done by way of allowing foreign institutional investors to come in the secondary market is necessarily detrimental to the interests of our country.

SHRI SANJAY DALMIA: Sir, the hon. Minister has said that the FIIs are not going to be allowed to trade directly in the Indian stock market and that they will have to go through the Indian brokers and that they can place orders via the Indian brokers. My question is whether the Government will allow the foreign companies to take 51 per cent shares in an Indian broker house. By this, they will be able to come to the Indian market directly. So, my question is whether you would allow them to go beyond 49 per cent in Indian brokering firms.

SHRI MANMOHAN SINGH: Sir, as of now, there is no such proposal.

SHRI CHIMANBHAI MEHTA: Sir, the Minister has explained the linkage of the primary market with the secondary market. My question is whether the growth in the secondary market has been reflected in the primary market mobilisation. If the Ministry had assessed the mobilisation aspect in the primary market through the secondary market, would the Minister be able to give us some idea about it?

SHRI MANMOHAN SINGH: Sir, I am speaking from memory. Despite all the after-effects of the Scam, the primary markets in our country are mobilising nearly four times the resources they used to do before 1991. So, the primary markets of India on the whole are in a reasonably good shape. And, if you look at the profits emerging from the balance-sheets of our companies, Indian companies, I expect that this trend will continue.

MR. CHAIRMAN: Question No. 230.

*226. *[The questioner (Shri Mohammed Afzal alias Meem Afzal) was absent. For answer* vide *Col.... infra.]*

*227. *[The questioner (Shri Yerra Narayanaswamy) was absent. For answer* vide *col... infra.]*

*228. *[The questioner (Shri Rahasbihari Barik.) was absent. For answer* vide *col. ... infra]*

*229. *[The questioners (Dr. Murli Manohar Joshi and Shri Triloki Nath Chaturvedi were absent. For answer* vide *col.... infra.]*